

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 373 - HB 598

March 4, 2023

SUMMARY OF BILL: Creates the Office of Rail and Public Transportation (ORPT) within the Department of Transportation (TDOT). Requires the Governor to appoint a director of the ORPT.

Authorizes the ORPT to accept grants and enter into contracts. Permits the ORPT to assist entities in the implementation and improvement of passenger and freight rail and public transportation services. Authorizes the office to acquire, lease, improve, and construct passenger and freight rail and public transportation facilities and acquire and hold title to land necessary for implementation of such.

Enables the ORPT to conduct various studies, plans, and programs concerning the needs, economic feasibility, establishment, improvement, and development of public transportation and the retention, improvement, and addition of passenger and freight rail transportation using various methods and coordinating with varied entities. Permits the office to administer state grants for rail transportation and public transportation and to develop guidelines for the development of strategic plans for transit agencies of Davidson and Shelby counties.

FISCAL IMPACT:

**Increase State Expenditures - \$164,100/FY23-24
\$161,100/FY24-25 and Subsequent Years**

Other Fiscal Impact – The costs to meet all the requirements of this legislation, including but not limited to additional staff and related resources, are unknown, but considered very significant. It is estimated that such recurring costs would exceed \$100,000,000 in state expenditures.

The state would likely purchase land and/or enter into contracts with local governments as a result of this legislation. Therefore, there will be a permissive increase in local government revenue and expenditures, the extent and timing of which cannot be reasonably determined.

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Assumptions:

- This legislation requires that the Governor appoint a director of the ORPT, but does not give this director an ability to hire additional employees to aid in the numerous requirements of this legislation. However, given the provisions of the legislation, additional staff and related expenditures would be necessary in FY23-24 and subsequent years. The extent and totality of such expenditures cannot be reasonably determined.
- There will be an increase in state expenditures for director position of \$164,085 (\$131,004 salary + \$29,081 benefits + \$1,000 supplies and network + \$3,000 computer and technology) in FY23-24.
- There will be a recurring increase in state expenditures of \$161,085 (\$131,004 salary + \$29,081 benefits + \$1,000 supplies and network) in FY24-25 and subsequent years.
- The legislation authorizes the ORPT to enter into contracts with various entities, governmental and otherwise, purchase land, improve existing and construct new rail lines, conduct extensive policy and analytical studies, and perform other various, complex tasks.
- It is assumed that the ORPT would seek to perform the majority of the tasks it has been authorized to perform.
- It is assumed that some of the land acquired or contracts implemented would be with local governments. Therefore, there will be a permissive increase in local government revenue and expenditures, the extent and timing of which cannot be reasonably determined.
- The cost to meet all the requirements of this legislation is unknown, but considered very significant. It is estimated that such costs would reasonably equate to a recurring increase in state expenditures exceeding \$100,000,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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